



School and Institutional Trust Lands Administration
675 East 500 South, Salt Lake City, Utah 84102

Board of Trustees Meeting MINUTES

November 15, 2018

9 a.m.

Attending:

Board Members:

Lonnie Bullard, Chairman of the Board
Roger Barrus, Vice-Chairman of the Board
Dave Donegan
Donald Foot
Scott Ruppe
Rick Woodbury

Not Attending: Mike Mower

Staff:

Darran Baggs, Technical Support Specialist, IT
Eric Baim, Financial Analyst, Planning & Development
Keli Beard, Legal Counsel
Ron Carlson, Audit Manager
Kim Christy, Deputy Director, Surface & External Relations
Tim Donaldson, Assistant Director, Special Projects
Tom Faddies, Assistant Director, Mining
Chris Fausett, Deputy Assistant Director, Surface
LaVonne Garrison, Assistant Director, Oil & Gas
Troy Herold, Project Manager, Planning & Development
Mike Johnson, Chief Legal Counsel
Diane Lund, Research Analyst & Sales Coordinator, Surface
Jerry Mansfield, Mineral Resource Specialist, Mining
Rodger Mitchell, Assistant Director, Planning & Development
Kyle Pasley, Deputy Assistant Director, Planning & Development – St. George
Lisa Schneider, Finance Director
Chris Shiraldi, Legal Counsel
Ron Torgerson, Deputy Assistant Director, Surface – Richfield
Dave Ure, Director

Beneficiaries:

Margaret Bird, Higher Education Beneficiary Representative
Natalie Gordon, USBE School Trust Specialist
Paula Plant, USBE Beneficiary Representative

Public:

Bob Baim
Dave Damschen, Utah State Treasurer
Trudy Henderson, Utah Education Association
Gary McEntee, Ninegret Corporation
Grace Wason, High School Student
Shawn Welch, EOG Legal Counsel

Chairman Bullard welcomed members of the board, staff, beneficiaries, and the public to the meeting at 9:05 a.m. Mr. Ruppe moved for approval of the October 17, 2018 Board Meeting minutes. Mr. Foot seconded the motion. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote.

Chairman Bullard confirmed that there are no plans for a December meeting. He also reminded those in attendance that board meetings will begin meeting on the second Wednesdays of the month beginning in January 2019.

Chairman Bullard invited the public to speak to the board. The County Advisory Committee and Utah Tribes were specifically mentioned. No one chose to speak.

EOG Resources Administrative Appeal

Mr. Welch and Mr. Johnson discussed hearing officer recommendations. Mr. Ruppe moved and Mr. Barrus seconded a motion to appoint Mr. Geoffrey Heath as Hearing Officer. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The associated legal documents are located at <https://www.utah.gov/pmn/files/440157.pdf>, <https://www.utah.gov/pmn/files/443605.pdf>, and <https://www.utah.gov/pmn/files/440159.pdf>.

Notification and Discussion Items

Mr. Pasley presented a Notification of Development Transaction – Coral Canyon Commercial, Hurricane. The Real Estate committee reviewed the issue and provided guidance on how to present the matter to the full board. The associated presentation can be found at <https://www.utah.gov/pmn/files/440161.pdf> and <https://utah.gov/pmn/files/444809.pdf>.

Mr. Pasley provided a Notification of Development Transaction – Warner Valley, Washington County. The Real Estate committee reviewed the issue and provided guidance on how to present the matter to the full board. The associated presentation can be found at <https://www.utah.gov/pmn/files/440169.pdf> and <https://utah.gov/pmn/files/444821.pdf>.

Director's Report

Director Ure reported on his attendance at the Colorado River Water Users conference in California. Director Ure then introduced SITLA's new Finance Director, Deborah Memmot. He also explained the changes in the state's legislature. Additionally, he explained the BLM's report on the value of public lands in the west. Director Ure mentioned new lawsuits by SUWA that have been filed against the BLM regarding oil rigs.

Ms. Lund gave a report on the October 2018 Land Sale Auction. There were 18 properties involved. Her presentation can be found at <https://utah.gov/pmn/files/444805.pdf>.

Mr. Fausett and Mr. Christy presented a report on WRI Fire Rehabilitation / Sage Grouse Habitat Enhancement Projects – Funding Request. The Surface committee reviewed the issue and provided guidance on how to present the matter to the full board. Mr. Ruppe motioned that the board approve \$800,000 for WRI project. Mr. Foot proposed an amendment to raise the appropriation to \$800,001. It was seconded by Mr. Barrus. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The report can be found at <https://www.utah.gov/pmn/files/440171.pdf>.

Mr. Torgerson proposed a Request for Approval of Negotiated Sale to Zion Mountain Land Holdings – Kane County. The Surface committee reviewed the issue and provided guidance on how to present the matter to the full board. Mr. Foot moved that the board approve the proposed negotiated sale with Zion Mountain Land Holdings, LLC with the stipulation that no development can be done on the property until such time as it has made full payment to SITLA. It was seconded by Mr. Ruppe. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The presentation can be found at <https://www.utah.gov/pmn/files/440167.pdf> and <https://www.utah.gov/pmn/files/443607.pdf>.

Mr. Mansfield presented a report on the North American Vanadium Corporation OBA: Metalliferous Minerals – San Juan County. Mr. Donegan moved that the board approve the OBA. Mr. Barrus seconded the motion. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The presentation is located at <https://www.utah.gov/pmn/files/440165.pdf>.

Mr. Mitchell provided a report on the North Temple Landfill. He recognized Mr. McEntee of the Ninegret Group who discussed the project. The Real Estate committee reviewed the issue and provided guidance on how to present the matter to the full board. Mr. Woodbury moved that the Board authorize the Director to finalize and execute the operating agreement with Ninegret on the North Temple Landfill project subject to any technical or legal corrections that would put the agreement in line with today's discussion and that the base land value per section 5.3b be set at \$8.5M. Mr. Ruppe seconded the motion. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The related presentation is located at <https://www.utah.gov/pmn/files/440163.pdf> and <https://www.utah.gov/pmn/files/444815.pdf>. Director Ure thanked the board and staff for their efforts on the project.

Closed Session

Closed meeting pursuant to §52-4-205(1)(c), Strategy sessions to discuss pending or reasonably imminent litigation, §52-4-205(1)(d), Strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, and §52-4-205(1)(e), Strategy sessions to discuss the sale of real property, including any form of a water right or water shares.

Mr. Foot moved that the board go into closed session. It was seconded by Mr. Ruppe. The board went into closed session at 12:51 p.m.

Present:

Darran Baggs, Technical Support Specialist, IT
Margaret Bird, Higher Education Beneficiary Representative
Tim Donaldson, Assistant Director, Special Projects
Elise Erler, Deputy Assistant Director, Planning & Development
Tom Faddies, Assistant Director, Mining
Chris Fausett, Deputy Assistant Director, Surface
LaVonne Garrison, Assistant Director, Oil & Gas
Diane Lund, Research Analyst & Sales Coordinator, Surface
Jerry Mansfield, Mineral Resource Specialist, Mining
Paula Plant, USBE Beneficiary Representative
Chris Shiraldi, Legal Counsel
Ron Torgerson, Deputy Assistant Director, Surface – Richfield

At 2:28 p.m. Mr. Ruppe moved to return to open session. Mr. Foot seconded the motion. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote. The board then moved into open session.

At 2:29 p.m. Mr. Ruppe moved to adjourn. Mr. Woodbury seconded the motion. The vote was unanimous in the affirmative. Mr. Mower was not present for the vote.